Risk Factors Comparison 2024-02-15 to 2023-02-16 Form: 10-K

Legend: New Text ~~Removed Text~~ Unchanged Text Moved Text Section

We are subject to various risks and events that could adversely affect our business, our financial condition, our results of operations, our cash flows and the price of our common stock. Investing in our common stock involves a significant degree of risk. The risks described below should carefully be considered together with the other information contained in this report, particularly in the Cautionary Statement Regarding Forward- Looking Information, Part 1- Item 1 Business, and Part II – Item 7. Management' s Discussion and Analysis of Financial Condition and Results of Operations, as well as those set forth from time to time in our other public statements, reports, registration statements, prospectuses, information statements and other filings we make with the SEC, in evaluating us, our business and an investment in our securities. The risks discussed below are not the only risks we face, and our descriptions of such risks, here and elsewhere, should not be considered exhaustive. Additional risks not currently known to us or that we currently deem immaterial also may adversely affect our business, our financial condition, our results of operations, our cash flows and the price of our common stock. Industry and Business Risks Economic Conditions The cyclical nature of our business could adversely affect our results of operations. The financial performance of our operations is affected by the cyclical nature of our business. The markets for manufactured wood products, timber and real estate are influenced by a variety of factors beyond our control. Our business is particularly dependent upon the health of the U. S. housing market, and specifically demand for new homes and home repair and remodeling which are subject to fluctuations due to changes in economic conditions, changes in employment levels, consumer confidence, financial markets, interest rates, **housing affordability, access to affordable mortgage financing and** credit availability (including homebuyers' ability to qualify for mortgages), ~~housing affordability,~~ supply chain disruptions, availability of labor and developable land, inflation, population change, weather conditions and other factors **. Any decline or stagnation in these conditions could cause us to experience lower sales volumes and reduced margins for our products** . Historical prices for our manufactured wood products have been volatile as a result of demand, particularly in recent years, and we have limited direct influence over the timing and extent of price changes for our manufactured wood products. In our Timberlands business, our sawlog price realizations in Idaho are subject to fluctuation in lumber prices as we index a significant portion of these sawlogs under long-term supply agreements on a four- week lag to lumber prices. The demand for real estate can be affected by changes in factors such as interest rates, credit availability, economic conditions, changes in consumer preferences, limited wage growth, consumer confidence and the availability of developable land, as well as by the impact of federal, state and local land use and environmental protection laws. The potential effect of these factors on our future operational and financial performance is highly uncertain, unpredictable and outside our control. As a result, our past performance may not be indicative of future results. Commodity Products Our wood products are commodities that are widely available from other producers. Failure to compete effectively in our markets could adversely affect our financial results. Because commodity products have few distinguishing properties from producer to producer, competition for these products is based primarily on price, which is determined by supply relative to demand, and competition from substitute products. Prices for our products are affected by many factors outside of our control, and we have no influence over the timing and extent of price changes, which often are volatile. Our profitability with respect to these products depends, in part, on managing our costs, particularly raw material and energy costs, which represent significant components of our operating costs. These costs can fluctuate based upon factors beyond our control including, but not limited to, changes in demand, supply chain disruptions, and inflation or deflation, all of which could have a material adverse effect on our results of operations and cash flows. Furthermore, **inflation** ~~the U. S.~~ has **increased and may continue to increase** ~~experienced elevated inflation during 2022, which has impacted~~ our ~~business~~ **operational costs** , especially for fuel, energy and repair and maintenance costs. **In addition to negatively impacting demand for our products,** ~~Higher~~ **higher** and prolonged levels of inflation could negatively impact our costs and we likely will not be able to fully pass the increased costs to customers. The markets for our wood products are highly competitive and companies that have substantially greater financial resources than we do compete with us in each of our lines of business. In addition, our Wood Products facilities are ~~relatively~~ capital intensive, which leads to high fixed costs and generally results in continued production as long as prices are sufficient to cover variable costs. These conditions have contributed to substantial price competition, particularly during periods of reduced demand. Some of our wood products competitors may currently be lower- cost producers than we are or may benefit from weak currencies relative to the U. S. dollar and, accordingly, these competitors may be less adversely affected than we are by price decreases. Wood products also are subject to significant competition from a variety of substitute products, including non- wood and engineered wood products. To the extent there is a significant increase in competitive pressure from substitute products or other domestic or foreign suppliers, our business could be adversely affected. Competition from wood product imports can vary significantly and have a material effect on U. S. wood product pricing. The future volume and pricing of lumber imports entering U. S. markets remain uncertain. Historically, Canada has been the most significant source of lumber imports to the U. S. market. For decades, the U. S. and Canada have been in a dispute over pricing for softwood lumber entering the U. S., which has resulted in trade cases and negotiated agreements between the two countries. ~~The~~ **There have been many disputes and subsequent trade agreements regarding sales of softwood lumber between Canada and the** U. S ~~. and Canada signed a Softwood Lumber Agreement in 2006, which expired in October 2015. On November 25, 2016, the U. S. lumber industry filed a petition seeking injury determination with the U. S. International Trade Commission, and a petition seeking countervailing (CVD) and anti- dumping (AD) duties on Canadian lumber imports with the U. S. Department of Commerce. Final rulings on injury and CVD and AD duties went into effect on December 28, 2017, resulting in the combined CVD and AD cash deposit~~

~~rate to be paid by most Canadian exporters initially established at 20. 23 %~~ . The most recent **agreement** ~~annual administrative review covering 2020 was completed in August 2022~~ , ~~resulting in the CVD~~ **which required Canadian softwood lumber facilities to pay** ~~and~~ - **an** ~~AD combined rate~~ **export tax when the price** of ~~8~~ **lumber is at or below a threshold price, expired in October 2015** . ~~59 %. The~~ **Since that time, the** U. S. Department of Commerce has ~~begun preliminary work~~ **issued countervailing and antidumping duties** on **softwood lumber imports from Canada based** ~~its fourth administrative review, which will cover 2021. A final decision~~ on ~~that review is not expected until late 2023~~ **findings of injury to U. S. lumber producers** . The **Canadian** ~~Government~~ **government** ~~of Canada~~ continues to appeal the determinations by the U. S. Department of Commerce and the U. S. International Trade Commission supporting the AD / CVD duties as well as to challenge these duties in the World Trade Organization. We are not able to predict when, or if, a new softwood lumber agreement will be reached or, if reached, what the terms of the agreement ~~would~~ **will** be. Similarly, we are not able to predict if the current U. S. policy of imposing import duties on Canadian softwood lumber will continue. We could, therefore, experience significant downward pressure on lumber prices caused by Canadian imports. Third- Party Logging and Hauling Contractors Our operations are affected by third- party logger availability, transportation availability and changes in costs from these third parties. Our Timberlands business depends on the availability of third- party logging and hauling contractors. Our Wood Products business depends on third- party transportation providers, including railcar and truck transportation. Our timberlands are located primarily in rural areas where skilled logging and hauling labor availability may be limited. As a result of weak business conditions in the timber industry that persisted for several years ~~following the Great Recession~~ , there are fewer logging and hauling contractors in certain markets to harvest and deliver our logs. This shortage **combined with tight labor markets** has resulted in an overall increase in logging and hauling costs and **increased** ~~, in some cases, compromised the general availability of these~~ -- **the** ~~contractors~~ **difficulty of attracting and retaining sufficient skilled labor for logging and transportation** . Any increase in harvest levels due to significant and / or extended increased demand for logs could further strain the existing supply of third- party logging and hauling contractors. This, in turn, could increase the cost of log supply and delivery, or prevent us from fully capitalizing on favorable market conditions by limiting our ability to harvest our timber and deliver our logs to market. Additionally, our third- party contractors are subject to several events outside of their control, such as disruption of transportation infrastructure, labor issues, increased competition for logger and truck drivers, and railcar availability. Logger and truck driver shortages or failures of a third- party transportation provider to timely deliver our products to our mills and our customers ~~,~~ could harm our supply chain, negatively affect our customer relationships and have a material adverse effect on our financial condition, results of operations and our reputation. Further, increases in the cost of labor ~~or~~ **,** fuel **, equipment, including the cost of debt financing on equipment purchases and other operating costs** have impacted and could continue to negatively impact our financial results by increasing the cost of these services and could also result in an overall reduction in the availability of these services. Timberlands Operations Our operating results and cash flows are materially affected by the supply and demand for timber. A variety of factors affect prices and demand for timber including changes in availability at the local, national and international level, all of which can vary by region, timber type (sawlogs or pulpwood logs) and species. On a local level, supplies can fluctuate depending upon factors such as changes in weather conditions and harvest strategies of local timberland owners, as well as occasionally high timber salvage efforts due to events such as unusual pest infestations or fires. Our timberlands are primarily located in Alabama, Arkansas, Georgia, Idaho, Louisiana, Mississippi and South Carolina. As a result, we may be susceptible to adverse economic and other developments in these regions, including industry slowdowns, mill closures and curtailments, business layoffs or downsizing, relocations of businesses, changes in demographics, increases in real estate and other taxes and increased regulation, any of which could have a material adverse effect on us. Further, as the demand for paper nationwide continues to decline, closures and curtailment of pulp mills have adversely affected the demand and pricing for pulpwood and wood chips in certain regions in which we operate. Also, demand in other parts of the world may affect timber prices in the markets in which we compete. For example, although we do not sell into **overseas** ~~the Asian~~ markets, ~~Asian~~ **overseas** demand can indirectly impact pricing and supply in North American timber and lumber markets. In the U. S. South, most timberlands are privately owned. Historically, increases in timber prices have often resulted in substantial increases in harvesting on private timberlands, including lands not previously made available for commercial logging operations, causing a short- term increase in supply that has tended to moderate price increases. Decreases in log prices have often resulted in lower harvest levels, causing short- term decreases in supply that have tended to moderate price decreases. In the South, timber growth rates have exceeded harvests during the past decade. This condition has led to an oversupply of harvestable timber in the region, which has kept timber prices at relatively low levels. In Idaho, a greater proportion of timberland is government owned as compared to the southern states where we operate. For more than 20 years, environmental concerns and other factors have limited timber sales by federal agencies, which historically had been major suppliers of timber to the U. S. forest products industry, particularly in the West. Any reversal of policy that substantially increases timber sales from government owned land, including opening federal lands to thinning and additional harvesting to reduce fire risks, could have a material adverse effect on our results of operations and cash flows. We may be unable to harvest timber, or we may elect to reduce harvest levels due to market, weather, climate change or regulatory conditions, any of which could adversely affect our results of operations and cash flows. **Our financial results and cash flows depend significantly on our continued ability to harvest timber at adequate levels.** From time to time, our timber harvest levels and sales have been and in the future may be limited due to ~~weather impacting timber growth cycles and restrictions on access,~~ availability of contract loggers, mill **quotas, curtailment and** closures ~~and curtailments~~ , ~~and~~ regulatory requirements associated with the protection of wildlife and water resources **, and weather events and conditions impacting our ability to access our timberlands** . Future timber harvest levels may also be affected by our ability to timely and effectively replant harvested areas as a result of other factors, including availability of contractors, U. S. immigration policies, insufficient or excessive precipitation, damage by fire, pest infestation, disease and natural disasters, and significant regional or local weather events such as ice storms, windstorms, tornadoes, hurricanes and floods. Changes in global climate conditions could intensify one or more of these factors. Although damage from such natural causes **is** usually ~~is~~ localized, affecting only a limited percentage of our timber, there can be no assurance that any damage affecting our timberlands will be limited. **Disease,** ~~Severe~~ **severe** weather conditions and other natural disasters can also reduce seedling survival rates, impact ~~the~~ **timber growth cycles and** productivity of **the** timberlands ~~and disrupt the~~ **which could affect** harvesting **levels** and delivery of logs ~~. Our financial results and cash flows are dependent to a significant extent on our continued ability to harvest timber at adequate levels~~ . As is typical in the forest industry, we assume all risk of loss to the standing timber we own from fire and **certain** other hazards because insurance for such losses is either not available or is cost prohibitive. Consequently, a reduction in our timber inventory from such events could adversely affect our financial results and cash flows. In addition, the geographic concentration of our property makes us more susceptible to adverse impacts from a single natural disaster, temporary or permanent closures of wood product facilities that purchase our logs and other factors that could negatively impact our timber production. **Timber harvest activities are also subject to a number of federal, state and local regulations pertaining to the protection of fish, wildlife, water and other resources. Regulations, government agency policy and guidelines, and litigation, can restrict timber harvest activities and increase costs. Examples include federal and state laws protecting threatened, endangered and " at- risk " species, harvesting and forestry road building activities that may be restricted under the U. S. Federal Clean Water Act, state forestry practices laws, laws protecting the rights of Indigenous Peoples, and other similar regulations. Therefore, if we were to be restricted from harvesting on a significant portion of our timberlands for a prolonged period of time we could suffer materially adverse effects to our results of operations and cash flows.** We typically experience seasonally lower harvest activity during the winter and early spring due to weather conditions. On a short- term basis, we may adjust our timber harvest levels in response to market conditions. Longer term, our timber harvest levels will be affected by acquisitions of additional timberlands, sales of existing timberlands and shifts in harvest from one region to another. In addition, future timber harvest levels may be affected by changes in estimates of long- term sustainable yield because of silvicultural advances, regulatory constraints and other factors beyond our control. Our estimates of timber inventories and growth rates may be inaccurate and include risks inherent in calculating such estimates, which may impair our ability to realize expected revenues. Whether in connection with managing our existing timberlands or assessing potential timberland acquisitions, we make and rely on important estimates of merchantable timber inventories. These include estimates of timber inventories that may be lawfully and economically harvested, timber growth rates **based on internal and industry studies,** and end- product yields. Timber growth rates and yield estimates are developed by forest biometricians and other experts using statistical measurements of tree samples on **a** given property. These estimates are central to forecasting our anticipated timber harvests, revenues and expected cash flows. However, future growth and yield estimates are inherently inexact and uncertain and subject to many external variables that could further affect their accuracy including, among other things, disease, infestation, natural disasters, changes in weather patterns and changes in product merchandizing specifications. If these estimates are inaccurate, our ability to manage our timberlands in a sustainable or profitable manner may be adversely affected. Wood Products Operations A material disruption at one of our manufacturing facilities could prevent us from meeting customer demand, reduce our sales or negatively affect our results of operations and financial condition. Any of our manufacturing facilities or machines could unexpectedly cease to operate due to a number of events, **some of which have occurred in the past,** including unscheduled maintenance outages, prolonged power failures, equipment failures, raw material shortages, equipment and maintenance part shortages, cyber- ~~attacks~~ **events** , labor difficulties or labor availability due to quarantine requirements for those exposed to flu or **other** viruses ~~, such as COVID- 19 and its variants~~ , disruptions in the transportation infrastructure, such as roads, bridges, railroad tracks and tunnels, fire such as the fire at our Ola, Arkansas sawmill in June 2021, ice storms, floods, windstorms, tornadoes, hurricanes or other catastrophes, terrorism or threats of terrorism, governmental regulations and other operational problems. We cannot predict the duration of any such downtime or extent of facility damage. Downtime and facility damage have prevented us and could prevent us in the future from meeting customer demand for our products and / or require us to make unplanned expenditures. If one of our machines or facilities were to incur significant downtime, our ability to meet our production targets and satisfy customer demand could be impaired, resulting in lower sales and income. Although some risks are not insurable and some coverage is limited, we purchase insurance on our manufacturing facilities for damages and business interruption losses resulting from events such as fires, floods, windstorms, earthquakes and catastrophic equipment failure. For example, our Ola, Arkansas sawmill was damaged by fire in June 2021, and we ~~have~~ **had** adequate property and business interruption insurance, subject to a $ 2. 0 million deductible, to cover this event. However, such insurance may not be sufficient or may be cost prohibitive to obtain to cover all our damages and losses in the future. Our capital investments may not have the expected financial impacts. We invest ~~cash~~ in maintenance and discretionary capital ~~expenditures~~ **improvements** at our Wood Products facilities. We evaluate discretionary capital improvements based on an expected level of return on investment. For example, in June 2022, we announced a project to expand and modernize our Waldo, Arkansas sawmill. The project is expected to increase the sawmill' s annual capacity from 190 million board feet of dimensional lumber to approximately 275 million board feet. The modernization project is also expected to reduce the sawmill' s ~~operating~~ **cash processing** costs significantly. The sawmill will continue to operate during the project and completion is expected by the end of 2024. The modernization of the Waldo sawmill **has and** will require significant expenditures, is ~~reliant~~ **dependent** on third parties for construction, may be subject to delays due to material delivery and supply chain interruptions, and may experience fluctuating material prices, Additionally, we may experience lower than expected productivity during and after the completion of the project, lower than expected return on investment, or other factors that could have a material adverse effect on our results of operations and cash flows. Real Estate Operations Changes in demand for our real estate and delays in the timing of real estate transactions may affect our revenues and operating results. A number of factors, including availability of credit, cost of financing, a slowing of residential and commercial real estate development, availability of funding to support conservation land purchases by governmental and other entities, zoning rules, population shifts, types and location of land available for sale, and changes in demographics could reduce the demand for our real estate and negatively affect our results of operations. Changes in investor interest in purchasing timberlands could reduce our ability to execute sales of non- core timberlands and could also negatively affect our results of operations. Changes in the interpretation or enforcement of current laws, or the enactment of new laws, regarding the use ~~and~~ **,** development **, and eligible purchasers** of real estate ~~, or changes in the political composition of federal, state and local governmental bodies~~ could lead to new or greater costs, delays and liabilities that could materially adversely affect our real estate business, profitability or financial condition. The majority of our real estate development projects are concentrated in a few markets. We have real estate development projects located in Central Arkansas, specifically, in ~~and west of~~ Little Rock, Arkansas and in Hot Springs, Arkansas. These real estate ~~operations~~ **development projects** are particularly vulnerable to economic downturns, **adverse** weather **conditions** or other adverse events that may occur in this specific region and to competition from nearby commercial and residential housing developments. Our results of operations may be affected by the cyclicality of the homebuilding and real estate industries. Factors influencing these industries include changes in population growth, general and local economic conditions, weather, climate impacts, employment levels, consumer confidence and income, housing demand, new and existing housing inventory levels, the availability of developable land, availability and cost of financing, mortgage interest rates and foreclosures, and changes in government regulation regarding the environment, zoning, real estate taxes, and other local government fees. In addition, the tightening of credit and economic recession could delay or deter commercial and residential real estate activity and may affect our operating results. Legal, Environmental and Regulatory Compliance Risks Environmental Laws and Regulations Our businesses are subject to extensive environmental laws and regulations. We are subject to a wide range of general and industry- specific laws and regulations relating to the protection of the environment, including those governing: • ~~air emissions, • harvesting, •~~ silvicultural activities, including use of pesticides and herbicides, **harvesting, and road building,** • **endangered and at- risk species, • stormwater and** surface water management, • **air emissions, •** the cleanup of contaminated sites, **• health and safety matters, and** • building codes ~~, and • health and safety matters~~. We have incurred, and we expect to continue to incur, significant capital, operating and other expenditures to comply with applicable environmental laws and regulations. We also have incurred and could incur in the future substantial costs, such as civil or criminal fines, sanctions and enforcement actions (including orders limiting our operations or requiring ~~corrective measures,~~ installation of pollution control equipment or other remedial actions), cleanup and closure costs, and third- party claims for property damage and personal injury as a result of violations of, or liabilities under, environmental laws and regulations on properties we currently own or have owned in the past. Because environmental regulations are constantly evolving, we will continue to incur costs to maintain compliance with those laws and our compliance costs could increase materially. In addition, **air emissions, stormwater, and** surface water management regulations may present liabilities and are subject to change. Future compliance with existing and new laws **, regulations, environmental permits,** and **other** requirements may disrupt our business operations **, increase potential liabilities,** and require significant expenditures. As the owner and operator of land, we have been and may be in the future liable under environmental laws for cleanup, closure and other damages resulting from the presence and release of hazardous substances on or from our properties or operations we currently own or have owned and operated in the past. In addition, we lease some of our properties to third- party operators for the purpose of exploring, extracting, developing and producing oil and gas in exchange for fees and royalty payments. These operations may create risk of environmental liabilities for any unlawful discharge of oil, gas or other chemicals into the air, soil or water. Generally, these third- party operators indemnify us against any such liability, and we require ~~that~~ that they maintain liability insurance during the term of our lease with them. However, if for any reason an unlawful discharge occurs and our third- party operators are not able to honor their indemnity obligation, or if the required liability insurance was not in effect, then it is possible that we could be held responsible for costs associated with environmental liability caused by such third- party operators. The amount and timing of environmental expenditures is difficult to predict, and in some cases, our liability may exceed forecasted amounts or the value of the property itself. The discovery of additional contamination or the imposition of additional cleanup obligations at our current or previously owned sites or third- party sites may result in significant additional costs. ~~The~~ **For example, we have agreed to voluntarily participate as a non- federal sponsor in connection with one of the** Minnesota Pollution Control Agency **' s** (MPCA) ~~has invited us to participate as a non- federal sponsor in connection with one of its~~ sediment contamination remediation projects in a reservoir downstream of ~~a~~ **one of our** former ~~property~~ **properties** that ~~was~~ **we** sold to a third party in 2002. Additional information regarding this matter is included in Note 18: Commitments and Contingencies in the Notes to Consolidated Financial Statements contained in this report and incorporated herein by reference. Similarly, threatened and endangered species restrictions apply to activities that would adversely impact a protected species or significantly degrade its habitat. A number of species on our timberlands have been, and in the future may be, protected under these laws. If current or future regulations, including increased mandates for biodiversity, increased wildlife habitats, additional species on our lands classified as endangered, or the enforcement of endangered species regulations become more restrictive, the amount of our timberlands subject to harvest restrictions could increase ~~results.~~ Increasing governmental and societal attention to **ESG** ~~corporate responsibility~~ matters,including expanding mandatory and voluntary reporting,diligence,and disclosure on topics such as climate change,waste production,water usage,human capital,labor,and risk oversight,could expand the nature,scope,and complexity of matters that we are required to control,assess and report.These and other rapidly changing laws,regulations,policies and related interpretations,as well as increased ~~auditing requirements and~~ enforcement actions by various governmental and regulatory agencies,create challenges for us,may alter the environment in which we do business,and may increase the ongoing costs of compliance.Additionally,environmental groups or interested parties may file or threaten to file lawsuits that seek to prevent us from obtaining permits,harvesting timber under contract with federal or state agencies,implementing capital improvements or pursuing operating plans.Any lawsuit,or even a threatened lawsuit,could delay harvesting on our timberlands or impact our ability to operate or invest in our Wood Products facilities.In addition,failure,or a perception (whether or not valid) of failure to implement our **ESG** ~~corporate responsibility~~ strategy or achieve **ESG** ~~corporate responsibility~~ goals **,including our greenhouse gas emission goals,** could damage our reputation,causing our investors or customers to lose confidence in our company and negatively impact our operations and the market price of our common stock. . Climate Conditions Changes in climate conditions and governmental responses to such changes may affect our operations or planned or future growth activities. Climate change represents an urgent global challenge that has the potential to cause significant disruptions to our business and results of operations, cash flows and profitability. We are committed to do our part to mitigate climate change, and we believe that working forests are part of the solution. Scientific research indicates that emissions of greenhouse gases continue to alter the composition of the global atmosphere in ways that are affecting and are expected to continue affecting the global climate. Over the past several years, changing weather patterns and climatic conditions due to natural and man- made causes have added to the unpredictability and frequency of natural disasters, such as wildfires, hurricanes, tornadoes, earthquakes, hailstorms, snow and ice storms, the spread of disease, and insect infestations. Global temperature increases can result in significant regional differences in weather patterns that affect tree growth. Further, changes in precipitation resulting in droughts have made and could in the future make wildfires more frequent or more severe. Any of these natural disasters could affect our timberlands, timber growth rates, productivity of our timberlands, **or** our harvest operations or cause variations in the cost and supply of raw materials. Additionally, the need to rebuild or the desire to move away from certain areas following a natural disaster could affect the housing market, which may or may not be in the markets **where** we sell our wood products. Increasing governmental and societal attention to ESG...... market price of our common stock. We anticipate ~~increased~~ **increases** ~~future legislative regulations~~ **in legal and reporting requirements** at the state, federal and international level regarding climate change and energy access, security and competitiveness to address emission of carbon dioxide, renewable energy and fuel standards, and the monetization of carbon capture, storage and sequestration. **In addition** ~~Executive orders issued by the current U. S. presidential administration~~ , ~~including~~ **new disclosure requirements related to GHG emissions** ~~an~~ **and** ~~executive order issued on September 12, 2022, focusing on~~ climate change ~~through the implementation of the Energy and Infrastructure Provisions of the Inflation Reduction Act of 2022~~ , **including** ~~are evidence of~~ the **European Sustainability Reporting Standards,** ~~current U. S. government' s intent to undertake numerous initiatives in an~~ **any final rules approved by the SEC,** ~~effort to reduce greenhouse gases. We manage our manufacturing facilities~~ and **state** ~~timberland operations to comply with applicable~~ laws **requiring** ~~and regulations. It is possible that legislation or government mandates, standards or regulations intended to mitigate or reduce carbon compound or greenhouse gas emissions or other~~ climate ~~change effects could affect renewals~~ **disclosure, may negatively impact** ~~or~~ **our business by diverting resources** ~~modifications to permits at our facilities~~ , **increasing** ~~or~~ **our** ~~result in significantly higher energy and~~ compliance costs ~~,~~ and **harming our reputation. For example, in September 2023, California passed the Climate Corporate Data Accountability Act and the Climate- Related Financial Risk Act, requiring** increased ~~capital expenditures~~ **climate- related reporting by companies to which these laws apply. New, or changes in, environmental safety laws, regulations or rules could also lead to increased costs of compliance, including remediation of any discovered issues, and changes to our operations, which may be significant. Any failures to comply could result in significant expenses, delays, or fines** . Future ~~legislative~~ **laws and** regulations could also limit harvest levels for commercial timberland operators, which could in turn adversely affect our timberland operations as well as potentially lead to significant increases in capital investments and the cost of energy, wood fiber and other raw materials for our Wood Products facilities. Any one or more of these developments, as well as other unforeseeable governmental responses to climate change, could have a material adverse effect on our results of operations, cash flows and profitability. **Likewise,** ~~While~~ **while** we undertake continuous improvements to our manufacturing facilities to meet or exceed future applicable ~~regulations~~ **legal requirements** , there can be no assurance that our commitments will be successful, that regulation in the future will not have a negative competitive impact or that economic returns will reflect our capital investments. Failure to successfully manage new or pending regulatory and legal matters and resolve such matters without significant liability or damage to our reputation may materially adversely impact our financial condition, results of operations and cash flows. Legal Matters Legal matters, disputes and proceedings ~~(collectively " legal matters ")~~ , if determined or concluded in a manner adverse to our interests, could have a material adverse effect on our financial condition. We are, from time to time, involved in legal matters, disputes and proceedings (**collectively,"** legal matters **"**). It is possible that there could be adverse judgments against us in some legal matters or that we may agree to settle a matter, and that we could be required to take a charge and make cash payments for all or a portion of any related awards of damages that could materially and adversely affect our results of operations or cash flows for the quarter or year in which we record or pay it. In some cases, all or a portion of any loss we experience in connection with any such legal matters will be covered by insurance; in other cases, any such losses will not be covered by insurance. Indebtedness and Capital Structure Risks Access to Capital We depend on external sources of capital for future growth. Our ability to finance growth is dependent to a significant degree on external sources of capital. Our ability to access such capital on favorable terms could be hampered by a number of factors, many of which are outside of our control, including a decline in general market conditions, decreased market liquidity, a downgrade to our ~~public~~ debt rating **by third- party rating agencies** , increases in interest rates, an unfavorable market perception of our growth potential, a decrease in our current or estimated future earnings or a decrease in the market price of our common stock. In addition, our ability to access additional capital may also be limited by the terms of our existing indebtedness, which, among other things, restricts our incurrence of debt and the payment of dividends. ~~For additional details, see Liquidity and Capital Resources in Part II – Item 7. Management' s Discussion and Analysis of Financial Condition and Results of Operations.~~ Any of these factors, individually or in combination, could prevent us from being able to obtain the capital we require on terms that are acceptable to us and the failure to obtain necessary capital could materially adversely affect our future growth. **For additional details, see Liquidity and Capital Resources in Part II – Item 7. Management' s Discussion and Analysis of Financial Condition and Results of Operations.** Our indebtedness could materially adversely affect our ability to generate sufficient cash to pay dividends to stockholders and fulfill our debt obligations, our ability to react to changes in our business and our ability to incur additional indebtedness to fund future needs. Our debt requires interest and principal payments. At December 31, ~~2022~~ **2023** , the total outstanding principal on our long- term debt was approximately $ 1. 0 billion. Subject to the limits contained in our debt instruments, we may be able to incur additional debt from time to time to finance working capital, capital expenditures, investments or acquisitions or for other purposes. If we do so, the risks related to our indebtedness could increase. Our indebtedness, combined with our other financial obligations and contractual commitments, could have important consequences for stockholders. If we are unable to generate sufficient cash flow from operations to service our debt, we may be required to, among other things: refinance or restructure all or a portion of our debt; reduce or delay planned capital or operating expenditures; reduce, suspend or eliminate our dividend payments and / or our stock repurchase program; or sell selected assets. Such measures might not be sufficient to enable us to service our debt. In addition, any such refinancing, restructuring or sale of assets might not be available on economically favorable terms or at all, and if prevailing interest rates at the time of any such refinancing or restructuring are higher than our current rates, interest expense related to such refinancing or restructuring would increase. Changes in credit ratings issued by nationally recognized statistical rating organizations could adversely affect our cost of financing and have an adverse effect on the market price of our securities. Credit rating agencies rate our debt securities on factors that include our operating results, actions that we take, their view of the general outlook for our industry and their view of the general outlook for the economy. Actions taken by the rating agencies can include maintaining, upgrading or downgrading the current rating or placing us on a watch list for possible future downgrading. Downgrading the credit rating of our debt securities or placing us on a watch list for possible future downgrading could limit our access to the credit markets, increase our cost of financing and have an adverse effect on the market price of our securities. For additional detail on our credit ratings, see Liquidity and Capital Resources in Part II – Item 7. Management' s Discussion and Analysis of Financial Condition and Results of Operations. Ownership of our Common Stock The price of our common stock may be volatile and influenced by several factors, many of which are beyond our control. The market price of our common stock may be influenced by several factors, many of which are beyond our control, including those described herein under Risk Factors and the following: • actual or anticipated fluctuations in our operating results or our competitors' operating results; • announcements by us or our competitors of capacity changes; • acquisitions or strategic investments; • our growth rate and our competitors' growth rates; • the financial markets, interest rates and general economic conditions; • changes in stock market analyst recommendations regarding us or lack of analyst coverage of our common stock; • our competitors or the forest products industry; • failure to pay cash dividends or the amount of cash dividends paid; • sales of our common stock by our executive officers, directors and significant stockholders or sales of substantial amounts of common stock; and • changes in accounting principles and changes in tax laws and regulations. There has been significant volatility in the market price and trading volume of securities of companies operating in the forest products industry that often has been unrelated to individual company operating performance. Some companies that have experienced volatile market prices for their securities have had securities litigation brought against them. If litigation of this type is brought against us, it could result in substantial costs and divert management' s attention and resources. Additionally, shareholder activism regarding our governance, strategic direction and operations could result in negative impacts to our business by adversely affecting our ability to effectively and timely implement our strategies and initiatives. Any perceived uncertainties as to our future direction resulting from such a situation could result in the loss of potential business opportunities, be exploited by our competitors, cause concern to our current or potential customers and make it more difficult to attract and retain qualified personnel, all of which could negatively impact our business. In addition, **the** actions of activist shareholders may cause significant fluctuations in our stock price based on temporary or speculative market perceptions or other factors that do not necessarily reflect the underlying fundamentals of our business. Certain provisions of our certificate of incorporation and bylaws and of Delaware law may make it difficult for stockholders to change the composition of our board of directors and may discourage hostile takeover attempts that some of our stockholders may consider to be beneficial. Certain provisions of our certificate of incorporation and bylaws and of Delaware law may have the effect of delaying or preventing changes in control if our board of directors determines that such changes in control are not in our best interest and that of our stockholders. Our certificate of incorporation and bylaws include, among other things, the following provisions: • a classified board of directors with three- year staggered terms; • the ability of our board of directors to issue shares of preferred stock and to determine the price and other terms, including preferences and voting rights, of those shares without stockholder approval; • stockholder action can only be taken at a special or regular meeting and not by written consent and stockholders cannot call a special meeting except upon the written request of stockholders entitled to cast not less than a majority of all of the votes entitled to be cast at the meeting; • advance notice procedures for nominating candidates to our board of directors or presenting matters at stockholder meetings; • removal of directors only for cause; • allowing only our board of directors to fill vacancies on our board of directors; • in order to facilitate the preservation of our status as a REIT under the Internal Revenue Code **(IRC)** , a prohibition on any single stockholder, or any group of affiliated stockholders, from beneficially owning more than 9. 8 % of our outstanding common or preferred stock, unless our board waives or modifies this ownership limitation; • unless approved by the vote of at least 80 % of our outstanding shares, we may not engage in business combinations, including mergers, dispositions of assets, certain issuances of shares of stock and other specified transactions, with a person owning or controlling, directly or indirectly, 5 % or more of the voting power of our outstanding common stock; and • supermajority voting requirements to amend our bylaws and certain provisions of our certificate of incorporation. While these provisions have the effect of encouraging persons seeking to acquire control of our company to negotiate with our board of directors, they could enable the board of directors to hinder or frustrate a transaction that stockholders might believe to be in their best interests and, in that case, may prevent or discourage attempts to remove and replace incumbent directors. We are also subject to Delaware laws that could have similar effects. One of these laws prohibits us from engaging in a business combination with a significant stockholder unless specific conditions are met. We may not continue to repurchase our common stock pursuant to our repurchase program, and any such repurchases may not enhance long- term stockholder value. Stock repurchases could also increase the volatility of the price of our common stock and could diminish our cash reserves to a level which may impact our ability to pursue possible future strategic opportunities and acquisitions or meet future obligations. On August ~~30, 2018, our board of directors authorized management to repurchase up to $ 100. 0 million of common stock with no time limit set for the repurchase (the 2018 Repurchase Program). Total stock repurchased under the 2018 Repurchase Program was 1, 279, 100 shares or approximately $ 45. 0 million (excluding transaction fees). On August~~ 31, 2022, our board of directors authorized management to repurchase up to $ 200. 0 million of our common stock with no set time limit for the repurchases (the 2022 Repurchase Program). Concurrently, the board of directors terminated the remaining repurchase authorization under ~~the 2018~~ **a previous** ~~Repurchase~~ **repurchase** ~~Program~~ **program** . Total stock repurchased under the 2022 Repurchase Program for the ~~year~~ **years** ended December 31, **2023 and** 2022, was **556, 115 shares and** 1, 096, 283 shares **, respectively,** for approximately $ ~~50~~ **25** . 0 million **and $ 50. 0 million, respectively** (excluding transaction fees). At December 31, ~~2022~~ **2023** , we had remaining authorization of $ ~~150~~ **125** . 0 million for future stock repurchases under the 2022 Repurchase Program **. The timing and amount of repurchases, if any, will depend upon several factors, including market and business conditions, our liquidity and capital resources, the trading price of our common stock and the nature of other investment opportunities** . The 2022 Repurchase Program does not obligate us to repurchase any specific dollar amount or to acquire any specific number of shares. The timing and amount of repurchases, if any, will depend upon several factors, including market and business conditions, our liquidity and capital resources, the trading price of our common stock and the nature of other investment opportunities. The 2022 Repurchase Program may be limited, suspended or discontinued at any time without prior notice. In addition, repurchases of our common stock pursuant to our 2022 Repurchase Program could cause our stock price to be higher than it would be in the absence of such a program and could potentially reduce the market liquidity for our stock. Additionally, our 2022 Repurchase Program could diminish our cash reserves to a level which may impact our ability to pursue possible future strategic opportunities and acquisitions or meet future obligations. There can be no assurance that any stock repurchases will enhance stockholder value because the market price of our common stock may decline below levels at which we repurchased shares of stock. Although our 2022 Repurchase Program is intended to enhance long- term stockholder value, there is no assurance that it will do so and short- term stock price fluctuations could reduce the program' s effectiveness. REIT and Tax Risks If we fail to remain qualified as a REIT, income from our timberlands will be subject to taxation at regular corporate rates and we will have reduced cash available for dividends to our stockholders. Qualification as a REIT involves the application of highly technical and complex provisions of the **IRC** ~~Internal Revenue Code~~ to our operations, including satisfaction of certain asset, income, organizational, dividend, stockholder ownership and other requirements, on an ongoing basis. Given the highly complex nature of the rules governing REITs, the ongoing importance of factual determinations and the possibility of future changes in our circumstances, no assurance can be given that we will remain qualified as a REIT. If in any taxable year we fail to remain qualified as a REIT, unless we are entitled to relief under the **IRC** ~~Internal Revenue Code~~ : • we would not be allowed a deduction for dividends to stockholders in computing our taxable income; • we would be subject to a federal income tax on our REIT taxable income at regular corporate rates; and • we would also be disqualified from treatment as a REIT for the four taxable years following the year during which we lost qualification. Any such corporate tax liability could be substantial and would reduce the amount of cash available for dividends to our stockholders, which in turn could have an adverse impact on the value of our common stock. As a result, net income and the cash available for dividends to our stockholders could be reduced for at least five years. Additionally, federal and state tax laws are constantly under review by persons involved in the legislative process, the Internal Revenue Service (IRS), the United States Department of the Treasury, and state taxing authorities. Changes to tax laws could adversely affect our stockholders or increase our effective tax rates. We cannot predict with certainty whether, when, in what forms, or with what effective dates, the tax laws applicable to us or our ~~shareholders~~ **stockholders** may be changed. To maintain our REIT qualification, we are generally required to distribute all our REIT taxable income to our ~~shareholders~~ **stockholders** . Under the REIT rules, to remain qualified as a REIT, a REIT must distribute, within a certain period after the end of each year, 90 % of its ordinary taxable income for such year. Our REIT income, however, consists primarily of net capital gains resulting from payments received under timber cutting contracts with our TRS and third parties, rather than ordinary taxable income. Therefore, unlike most REITs, we are not required to distribute material amounts of cash to remain qualified as a REIT. If, after giving effect to our dividends, we have not distributed an amount equal to 100 % of our REIT taxable income, then we would be required to pay tax on the undistributed portion of such taxable income at regular corporate tax rates and our stockholders would be required to include their proportionate share of any undistributed capital gain in income and would receive a credit or refund for their share of the tax paid by us. To our knowledge, no REIT has chosen to pay tax on the undistributed portion of capital gains and we believe it is impractical to do so due to tight reporting deadlines, among other challenges. As a result, our ability to retain REIT cash for use in the business is generally limited by the required distribution rules and our practice of distributing the REIT' s taxable income to stockholders. Certain of our business activities are potentially subject to a prohibited transactions tax on 100 % of our net income derived from such activities, which would reduce our cash flow and impair our ability to pay dividends. REITs are generally intended to be passive entities and can thus only engage in those activities permitted by the **IRC** ~~Internal Revenue Code~~ , which for us generally include owning and managing a timberland portfolio, growing timber and selling standing timber. Accordingly, the manufacture and sale of wood products, certain types of timberland sales, sale of developed real estate and the harvest and sale of logs are conducted through our taxable REIT subsidiary **, the net income of which is subject to corporate- level tax,** because such activities generate non- qualifying REIT income and could constitute " prohibited transactions " if such activities were engaged in directly by the REIT. In general, prohibited transactions are defined by the **IRC** ~~Internal Revenue Code~~ to be sales or other dispositions of property held primarily for sale to customers in the ordinary course of a trade or business. By conducting our business in this manner, we believe we will satisfy the REIT requirements and thus avoid the 100 % tax that could be imposed if a REIT were to conduct a prohibited transaction. We may not always be successful, however, in limiting such activities to our TRS. Therefore, we could be subject to the 100 % prohibited transactions tax if such instances were to occur, which ~~would~~ **could** adversely affect our cash flow and impair our ability to pay quarterly dividends. Our ability to pay dividends and service our indebtedness using cash generated through our taxable REIT subsidiary may be limited. Returning cash to shareholders through a secure, regular dividend and opportunistic share repurchases is an important and durable part of our capital allocation strategy. Our board of directors, in its sole discretion, determines the ~~actual~~ amount **, timing and frequency** of dividends to be made to stockholders based on consideration of a number of factors, including, but not limited to, our results of operations, cash flow and capital requirements, economic conditions in our industry and in the markets for our products, REIT requirements, borrowing capacity, debt covenant restrictions, timber prices, harvest levels on our timberlands, market demand for timberlands, including timberland properties we have identified as potentially having a higher and better use **,** and future acquisitions and dispositions. For a description of debt covenants that could limit our ability to pay dividends to stockholders in the future, see Liquidity and Capital Resources in Part II – Item 7. Management' s Discussion and Analysis of Financial Condition and Results of Operations. Consequently, the level of future dividends to our stockholders may fluctuate and any reduction in the dividend rate may adversely affect our stock price. Further, the rules with which we must comply to maintain our status as a REIT limit the amount of dividends our REIT can receive from our TRS. In particular, at least 75 % of our gross income for each taxable year as a REIT must be derived from sales of our standing timber and other types of real estate income. No more than 25 % of our gross income may consist of dividends from our TRS and other non- qualifying types of income. This requirement may limit our ability to receive dividends from our TRS and may impact our ability to pay dividends to stockholders and service the REIT' s indebtedness using cash from our TRS. To maintain our REIT qualification, we are required to limit the size of our taxable REIT subsidiary. Our TRS enables us to engage in non- REIT qualifying business activities, such as our ~~Wood~~ **wood** ~~Products~~ **products** manufacturing operations and certain real estate investments. However, no more than 20 % of the value of our REIT gross assets may be represented by securities of our TRS under the REIT rules. We must comply with the 20 % limit on a quarterly basis. We believe our TRS' s securities comprise a higher percentage of our REIT' s gross assets than most other REITs, which may limit our ability to grow our TRS. Our high degree of leverage to volatile lumber prices, coupled with limits on the amount of dividends our REIT can receive from our TRS, also means our TRS can accumulate significant amounts of cash. Cash accumulated and retained by our TRS increases the value of our TRS' s securities and IRS rules may limit our ability to sufficiently rebalance the TRS' s assets. The limitations on our ability to reduce the value of our TRS means we have a higher risk than other REITs that we will not comply with the 20 % ~~TRS~~ **gross assets** limit and fail to retain our REIT qualification in the future. **While we intend to monitor the value of our investments in the stock and securities of our TRS to ensure compliance with the 20 % gross assets limitation, we cannot provide assurance that we will always be able to comply with the limitation so as to maintain REIT status.** Furthermore, our use of ~~the~~ **our** TRS may cause the market to value our common shares differently than the shares of other REITs, which may not use taxable REIT subsidiaries at all, or as extensively as we use them. General Risk Factors Cybersecurity incidents could disrupt business operations, result in the loss of critical and confidential information, and adversely impact our reputation and results of operations. We use information systems to carry out our operational activities and maintain our business records. Some systems are internally managed, and some are maintained by third- party service providers. In the ordinary course of our business, we collect and store small amounts of sensitive data, including personally identifiable information. We also use information technology for electronic communications between our facilities, personnel, customers and suppliers, to process financial information and results of operations for internal reporting purposes and to comply with regulatory, legal and tax requirements. We devote significant resources to protecting and...... interruption or breach of our systems. Attempted cyber ~~-~~attacks and other cyber incidents are occurring more frequently, are constantly evolving in nature, are becoming more sophisticated and **disruptive to our business operations, and** are being made by groups and individuals with a wide range of motives and expertise. Our information technology systems and those of our third- party providers are vulnerable to a variety of disruptions, including but not limited to **:** cyber ~~-~~attacks, including from computer hackers, foreign governments and cyber terrorists; data breaches ~~,~~ **;** malicious software programs (such as malware, viruses and ransomware); ~~or~~ other attacks including those using techniques that change frequently, may be disguised or difficult to detect ~~;~~ **,** or designed to remain dormant until a triggering event ~~,~~ **;** the process of upgrading or replacing software; an intentional or unintentional personnel action; a natural disaster or other catastrophic event; a hardware or software corruption, failure or error; a telecommunications or utility failure; system failures ~~,~~ **;** a service provider failure or error; or any one or more other causes of a security breach, failure or disruption **We devote significant resources** to protecting and improving the security of our systems and have implemented and continue to evaluate security initiatives and disaster recovery plans.We require all employees with company email accounts to complete annual cybersecurity training to learn how to spot and report potential threats and use continuous internal phishing campaigns to test employees' cyber knowledge and provide supplemental training when ~~appropriate~~ **necessary** .In addition,we maintain cyber liability insurance ~~which we believe to be appropriate for the potential loss arising from a cybersecurity incident~~ .However,this insurance may be subject to certain exceptions and may not be sufficient to cover the financial,legal,business or reputational losses that **may result from an interruption or breach of our systems.** . Although we have in the past experienced, and may in the future face, cyber- attacks, other cyber incidents or security breaches, we have not experienced a significant cyber event ~~to date~~ **in the last three fiscal years, or incurred any related expenses (including any penalties or settlements) during that period** . There can be no assurance that our efforts, or efforts of our third- party service providers, will prevent or quickly identify service interruptions or security breaches. Any such interruption, breach or unauthorized access to our network or systems, or the networks and systems of our vendors, could adversely affect our business operations and result in the loss of critical or sensitive information, the unauthorized or accidental disclosure of material confidential information or regulated individual personal data, as well as impact our ability to meet regulatory or compliance obligations, and could result in financial loss, reputational damage, exposure to legal claims or enforcement actions, theft of intellectual property, fines levied by governmental organizations, and increased cybersecurity protection and remediation costs, which in turn could materially and adversely affect our competitiveness and results of operations. Additionally, we may have limited remedies against third- party service providers in the event of service disruptions. **See Part I – Item 1C. Cybersecurity below for a description of the company' s and management' s processes used to assess, identify, and manage material risks from cybersecurity threats, and our board of directors' role in overseeing risks from cybersecurity threats. We are implementing a new enterprise resource planning system (ERP). We are in the process of implementing a new ERP system that is intended to replace certain components of our existing operating and financial systems in 2024. We are designing the ERP system to accurately maintain our financial records, enhance operational functionality and provide timely operating information to our management team. We have invested significant resources in the planning and project management of the ERP implementation. Companies that implement new ERP systems may experience delays, increased costs and other difficulties. If we are not successful in designing and implementing our ERP system as planned or if it does not operate as intended, the effectiveness of our internal control over financial reporting could be adversely affected, or our ability to assess those controls adequately could be delayed.** We may be unsuccessful in carrying out our acquisition strategy. Our real property holdings are primarily timberlands, and we may make additional timberlands and other forest products asset acquisitions in the future. **We intend to strategically pursue acquisitions and strategic divestitures when market conditions warrant.** The markets for timberland and forest products assets are highly competitive **given how infrequently such assets become available for purchase** . ~~We intend~~ **As a result, many real estate investors have built up their cash positions and face aggressive competition** to **purchase quality timberland assets. A significant number of entities and resources competing for high- quality timberland properties support relatively high acquisition prices for such properties, which may reduce the number of acquisition opportunities available to, or affordable for, us. As with any investment, our acquisitions may not perform in accordance with our expectations, including achieving cost savings, revenue growth, synergies, expected returns on the investment, business opportunities and growth prospects. In addition, we anticipate** ~~finance~~ **financing such** acquisitions through cash from operations, borrowings **under our unsecured credit facilities** , proceeds from equity or debt offerings ~~,~~ **or** proceeds from **strategic** asset dispositions, or any combination thereof ~~. Acquisitions may be dilutive to earnings and involve numerous other risks, including the diversion of management attention to integration matters; difficulties in integrating operations and systems; challenges in conforming standards, controls, procedures and accounting and other policies, business cultures and compensation structures; difficulties in assimilating employees and in attracting and retaining key personnel; challenges in keeping existing customers and obtaining new customers; difficulties in achieving anticipated cost savings, synergies, business opportunities and growth prospects; contingent liabilities that are larger than expected; and potential unknown liabilities, adverse consequences and unforeseen increased expenses associated with acquired companies. In addition, it is uncertain whether any acquisitions we make will perform in accordance with our expectations~~ . The failure to identify, complete and successfully integrate acquisitions into our operations could adversely affect our operating results, cash flows, financial condition and the market price of our common stock **. Additionally, our inability to finance future acquisitions on favorable terms, or at all, could adversely affect our ability to successfully execute strategic acquisitions and thereby adversely affect our results of operations. We may be unsuccessful in participating or competing in natural climate solution markets. Natural climate solutions (NCS) opportunities, such as carbon credits, solar, carbon capture and storage, bioenergy, and emerging technologies that allows wood fiber to be used in applications ranging from biofuels to bioplastics, are evolving and expanding. We have several NCS initiatives underway, including participation in carbon credit markets and the sale or lease of land for solar energy. We believe growth in NCS markets could provide opportunities to further maximize the use of our timberlands, increase our timberland values, generate increased revenues and profitability, and drive long- term stockholder value. However, there can be no assurance that we will be able to successfully execute on these natural climate solutions initiatives and / or compete in these markets in accordance with our expectations, which could result in an adverse effect on our business, financial results, and stockholder value** . Our financial condition and results of operations may be materially adversely affected by a global health crisis such as coronavirus (COVID- 19). We face risks related to public health epidemics and other outbreaks, including the global outbreak of a novel strain of COVID- 19 and its variants. We, our suppliers, contractors and customers modified business practices for the continued health and safety of our employees during the ~~outbreak of~~ COVID- 19 **pandemic** . If a resurgence of COVID- 19 or a potentially more severe global health crisis occurs, we or our suppliers, contractors, customers and others may be restricted or prevented from conducting business activities for indefinite or intermittent periods of time, including as a result of employee health and safety concerns, shutdowns, supply chain disruptions, shelter in place orders, travel restrictions and other actions and restrictions that may be prudent or required by governmental authorities. The full extent to which a global health crisis **could** ~~, such as COVID- 19, will~~ impact our business and operating results ~~will depend~~ **depends** on future developments that are highly uncertain and cannot be accurately predicted ~~, including new medical~~ and ~~other information that may emerge and the actions by governmental entities or others to contain the crisis or treat its impact. The impact of COVID- 19 or other virulent disease~~ may also trigger the occurrence, or exacerbate, other risks discussed herein, any of which could have a material adverse effect on our business, results of operation, cash flows and financial condition. Our defined benefit pension plans are currently underfunded. We have a qualified defined benefit pension plan covering certain of our current and former employees which, at December 31, ~~2022~~ **2023** , was ~~85~~ **88** . ~~9~~ **4** % funded. Future actions involving our qualified and unqualified defined benefit and other postretirement plans, such as annuity buyouts and lump- sum payouts could cause us to incur significant pension and postretirement settlement and curtailment charges and may require cash contributions to maintain a legally required funded status. The measurement of the pension benefit obligation, determination of pension plan net periodic costs and the requirements for funding our pension plans are based on a number of actuarial assumptions ~~. The most critical assumption is~~ **, including the expected rate of return on plan assets and** the discount rate applied to **the** pension **obligation. Changes in** plan **asset returns and** ~~obligation as changes in~~ long- term interest rates **could** ~~may result in increased~~ - **increase our costs under our defined benefit** pension **plans and** ~~costs in future periods. Changes in assumptions regarding discount rates could also increase future pension costs. Changes in any of these factors~~ may significantly ~~impact~~ **affect** future contribution requirements **. It is unknown what the actual investment return on our pension assets will be in future years and what interest rates may be at any given point in time. We cannot therefore provide any assurance of what our actual pension plan costs will be in the future, or if we will be required under applicable law to make future material plan contributions** . For additional information regarding this matter, see Note 15: Savings Plans, Pension Plans and Other Postretirement Employee Benefits in the Notes to Consolidated Financial Statements. A strike or other work stoppage, or our inability to renew collective bargaining agreements timely and on favorable terms, could adversely affect our financial results. Certain employees at one of our sawmills, representing 14 % of our total workforce, are covered under a collective bargaining agreement that expires in ~~2023~~ **2026** . If our unionized workers were to engage in a strike or other work stoppage, or other non- unionized operations were to become unionized, we could experience a significant disruption of operations at our facilities or higher ongoing labor costs. A strike or other work stoppage in the facilities of any of our major customers or suppliers could also have similar effects on us.